

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE LESLIE COUNTY	)	
TELEPHONE COMPANY, INC. FOR A	)	
CERTIFICATE OF PUBLIC CONVENIENCE	)	CASE NO.
AND NECESSITY AUTHORIZING IT TO	)	90-225
CONSTRUCT ADDITIONAL FACILITIES	)	

O R D E R

On November 16, 1990, the Commission issued an Order requiring Leslie County Telephone Company, Inc. ("Leslie County Telephone") to file additional information in this proceeding. On December 6, 1990, Leslie County Telephone filed its responses. However, the responses do not specifically provide the information required by Items 1 through 5 of the Commission's Order. In particular, Leslie County Telephone fails to provide a detailed breakdown showing how the engineering costs of \$1,054,262 were determined. The breakdown provided by Leslie County Telephone shows a total of \$498,500 not \$1,054,262. Also, Leslie County Telephone has provided some contracts without identifying or labeling them. Respond to each item below. Separately, tab and label the responses.

Leslie County Telephone is HEREBY ORDERED AND COMPELLED to provide the following within 30 days from the date of this Order:

1. A detailed breakdown showing how the engineering costs of \$1,054,262 outlined in Leslie County Telephone's application were determined.

2. Documentation to demonstrate that charges reflected above are consistent with charges for engineering services provided by American Communications Consultants, Inc. ("ACC") to unaffiliated telephone companies. Particularly, provide a copy of engineering charges in recent construction project of Highland Telephone Cooperative, Inc.

3. State and explain Leslie County Telephone's policies with respect to procuring engineering services.

4. Provide a copy of any contract(s) in effect between Leslie County Telephone and ACC.

5. Based upon an analysis of recent construction cases before the Commission, engineering costs to total investments have averaged 10.22 percent. Leslie County Telephone's filing reflects a ratio of 13.2 percent. Identify and explain any reasons why engineering costs are higher as a percentage of total investment for this project than that experienced by other companies in similar recent projects.

Done at Frankfort, Kentucky, this 14th day of January, 1991.

PUBLIC SERVICE COMMISSION

  
For the Commission

ATTEST:

  
Executive Director